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	CENTRAL INTELL	GENCE AGENCY	REPORT	-
	INFORMATIO	N REPORT	CD NO.	25X1
COUNTRY	East Germany		DATE DISTR. 31 Augu	ıst 1955
SUBJECT	<ol> <li>Personnel Changes</li> <li>VEB Schwarze Pumpe</li> <li>Miscellaneous Economic Inf</li> </ol>	Commet i on	NO. OF PAGES 2	
PLACE ACQUIRED	4. Possible Heads of Defense 5. Rumored Reorganization of	Program	NO. OF ENCLS. (LISTED BELOW)	
DATE OF INFO.		m <sub>il</sub> .	SUPPLEMENT TO REPORT NO.	25 <b>X</b> 1
OF THE UNITED STATES	INS INFORMATION AFFECTING THE NATIONAL DEFENSE WITHIN THE MEANING OF THE ESPIONAGE ACT 50 AMENDED. ITS TRANSMISSION OR THE REVELATION NY MANNER TO AN UNAUTHORIZED PERSON IS PRO-	THIS IS UNE	EVALUATED INFORMATION	25X1
OF ITS CONTENTS IN A	ODUCTION OF THIS FORM IS PROHIBITED.			· .
l. Prostructi tion (A He repl  2. VEB Ministr is to b produce Senften	f essor Meister (fnu), formerly on, has been appointed head of mt fuer Standardzirung und Ty aced Apel (fnu).  Schwarze Pumper, the reconst y for Heavy Industry's most im e as large an establishment as smeller of VEB Monta	the Office for S piderung) under t ruction of which portant projects the Eisenhuetten sfaehigkoks). 'S the new power sta	is considered to be one under the Second Five ! akombinat Stalinstadt. Schwarze Pumpe * is locate tion at Trattendorf.	e of the Year Plan. It will ted in the

Perbunan (average) - 3,400 DME per ton
Perbunan extra - 4,200 DME per ton
Buna latex - 850 DME per ton Plasticator - 2,500 DME per ton
Pervinan - 2,300 DME per ton
Buna - 2,300 DME per ton

Prices under the ordinance in its final form are not yet known.

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4. The following tables were prepared in the Ministry for Heavy Industry and submitted to the Council of Ministers to show the development of the coal and the power and gas industries since 1950. Figures are in millions of DME.

## Coal (Pit coal and Lignite)

Year	Turnever (Umsatz)	Costs (Kosten)	Income (Ergebnia)	Profitability (Rentabilitaet)
1950	803.6	873.	- 69.4	- 7.95 %
1951	944.		- 106.9	
1952	1,083.		130.	
1953	1,368.		+	
1954	1,402.	1,604. *	- <b>-</b>	- 14.15 %
1955 - (Planned	1,499.	1,559.	1	- 4.3 %

\* The cost increase in 1954 was attributable to the fleeds and severe frosts during the early part of that year.

### Power and Gas

Year	Turnever	Costs	Income	Profitability		
1950	764.	635.	<b>+ 128.</b>	¥ 20.24 %		
1951	* ***					
1952		•				
1953 19 <b>54</b>	1,825. *	1,727.	<b>†</b> 97•	\$ 5.95 % \$ 7.77 %		
1955 - (Planned	1,938.	1,804.	<b>i</b> 133.	<b>4</b> 7.77 %		

- \* The rate of increase between 1950 and 1954 was due not only to new construction but also to the tying in of numerous local installations with the national power network.
- 5. It is currently being rumored in the Ministry for Heavy Industry that the East German defense program is to be managed jointly by Heinrich Rau and Willi Steph. Rau, now Minister for Foreign and Domestic Trade, will handle economic affairs connected with rearmament, while Steph, until recently Minister for the Interior, will be in charge of the military side of the program.
- 6. Heinrich Rau allegedly stated that a new vertical reorganization of the East German Ministries is being considered. Among other changes contemplated is a linking of Machine Construction with the Steel Industry, reportedly because Minister for Heavy Industry Fritz Selbmann's empire is becoming too large (at least according to Rau.)
- 7. On 8 July 1955, Kremer (fnu) of the Heavy Industry Ministry's Planning Department represented Selbmann at a conference in the Ministry for Heavy Machine Construction.

  The Ministries and General Machine Construction also participated.

  Minister Erich chaired the machine, allegedly stated during the course of the conference and representation in the Heavy Machine Construction

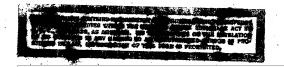
  Ministry situation



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# THIS IS UNEVALUATED INFORMATION

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L. Professor helister (fint); formed would the Stat Remove Ministry for Machine Construction, Les been appointed head of the Sifice for Charles itzetion and Rebion lization (Ant fuer Standard rung und Type Largy) under the Ministry for Heavy Industrial Re replaced Apel (San).

2. Vin Schuerse Purit, the recensuration of which is considered to be one of the Ministry for heavy Industry's most important mejoch under the Second Rive Tear Flat, is to be as large an application as the disciplination design to Stating beat. Product produce an Atable cokes (Fortage transfer higher) — Schwerse Purit is Industry Springer area, alose to the dus pours obtained at Pratherhoof. These Grabner, former director of IES lentants. Laivage, her been safe past on interchange of the project.

3. On 1 Junuary 1956, a new ordinance is to go into effect in Just Germany boducing the prices of artificial subber products. Is a criminally formulated by the State Planning Geometric and the history for Finance, the criminance would have resulted in a reduction of 100,000,000 EMH in the total income from artificial subter during 1956. (In 1854 there had been as Achievlation of 110,000,000 FMH from Buns) the Ministry for Heavy Industry objected to the action of 110,000,000 FMH from Buns) that it would bring the critical rubber prices down below the 1946 level in some cases. An agreement was finally reached mineraby the total income reduction would mount to between 50 and 60,000,000 DMH. The ordinance as originally planned (the 100,000,000 DMH reduction) would have be affected the expert sector of the across by 53,000,000 DMH, the rationalized enterprices (VEHs) by 46,000,000 DMH, and private consumers by about 1,000,000 DMH. To would have so the prices for various artificial rubber as follows:

Plasticator = 2,500 DME per for Perbunan (average) = 3,400 DME per ton Perbunan extra = 4,200 DME per ton Bone = 2,300 DME per ton Some lator = 850 DME per ton

Prices under the ordinance in its first many marget known.

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1. Possibly the Office for Standardization under the State Planning Commission.

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